



**Livestock and Seed Program  
Audit, Review, and Compliance Branch  
Quality System Audit Report**

**Applicant:** California Organic Farmers Association (COFA)  
**Program/Audit Type:** National Organic Program/Accreditation for Organic Certification  
Organizations- On-site audit  
**Location(s):** Kerman CA  
**Audit Date(s):** April 8-9, 2003  
**Audit File Number:** NP3098DA  
**Action Required:** Yes  
**Auditor(s):** Steve Ross-Lead Auditor, Lauren Kavanaugh-Auditor  
**Contact:** Laura Horne, COFA Secretary/Treasure

**AUDIT ACTIVITIES**

On April 8-9, 2003 representatives of the USDA, AMS, LS, Audit, Review, and Compliance (ARC) Branch conducted a site evaluation audit and review of the California Organic Farmers Association (COFA) Kerman, CA. The purpose of the audit was to assess compliance to the National Organic Program (NOP), 7 CFR Part 205. The site evaluation included a review of the certification procedures, decisions, facilities, administrative and management systems, and an observation of a crops operation certified by COFA, Joyce Evans. An opening meeting was held with the COFA Board of Directors President, Board of Director Secretary/Treasure, and a Board of Director member. COFA is a non-profit entity that can provide a third-party product certification system for organic crops, livestock, wild crops, and handling who was accredited by the USDA on April 29, 2002.

**OBSERVATIONS**

COFA is a non-profit organization that has approximately 15 clients at the time of the audit. Fourteen of the clients are crops and one client is a handler. COFA is operated by a Board of Directors, all of which are certified by other certifying agents if they are a certified organic operation. This procedure has alleviated all conflict of interests. The Board of Directors also comprises the certification committee, with the exception for the Secretary/Treasure. The certification committee makes the final certification decision. An outside contractor reviews the applications and determines if the applicant is able to comply with the NOP Rule and informs the Certification Committee of the need to conduct an inspection. The certification committee requests that the Secretary/Treasure contact a qualified independent inspector to conduct the onsite inspection. Once the inspection is completed the certification committee reviews the inspection report and organic plan to determine compliance/non-compliance with the NOP Rule.

COFA has adopted the NOP Rule verbatim and distributes the Rule to their clients in the COFA Certification Handbook. This handbook informs the clients of the procedures required to obtain certification. Along with the handbook the clients are also given a fee schedule to determine the payments to COFA. COFA charges and fees collected were in accordance with the published fee schedule. COFA has had a policy of not giving the clients a fee estimate unless the client requests one NP3098DA.NC4.

A review of the management policies and procedures was conducted and found that COFA had a procedure for conducting the management review on an annual basis. No management review had been conducted as of yet nor had the date been set for a management review NP3098DA.NC1. COFA has a policy statement #2 that a qualified consultant will perform evaluations of all persons in the certification

process during the month of January each year. A review of the personnel files showed that performance evaluations had not been conducted on any certification personnel or inspectors as of this audit date **NP3098DA.NC2**. Confidentiality agreements and conflict of interest records of all certification personnel including inspectors were reviewed to determine if all were current. The review found that all personnel had completed the forms but had not completed the forms by the program manual's required date of January 31<sup>st</sup>. Only three of the nine personnel had completed the forms by January 31<sup>st</sup> **NP3098DA.NC3**. Training of COFA certification personnel including inspectors was reviewed. The COFA program manual procedure requires that COFA personnel involved in certification activities be required to complete 40 hours per year of profession growth in the areas of organic farming and certification and records must be kept. A review of the training records kept found that only two of certification personnel had received training during the year and those two only received between 15-20 hours of training **NP3098DA.NC6**. A review of resumes to show the expertise of all certification personnel showed that the contracted reviewer, inspectors, and certification committee had sufficient expertise to conduct organic certification activities. All independent inspectors and the reviewer have signed contracts with COFA and any new inspector used will be required to sign a contract with COFA.

A review of procedures and records issued to clients for identifying non-conformances for both new applicants and continued certification was conducted. The COFA procedures were in place for both certification but the procedure for new applicants did not include the timeframe that the applicant must correct the non-conformance. The procedure for the notice of non-conformance for non-conformances found during the annual review/inspection did not include the reason for the non-conformance, the facts upon which it was based, or the time frame for compliance **NP3098DA.NC5**.

COFA procedures were reviewed with respect to the requirements placed on an applicant for certification. The review found that all procedures were acceptable with the exception of COFA's requirement that a client notify the neighboring farms of the client's organic status. COFA had made this a condition of certification and the letter sent to the neighboring farms stated that this was a requirement of the NOP final rule **NP3098DA.NC7**.

Three crop growers' files and one handler file were reviewed for application, review of application, organic plans, inspection reports, and certification decisions to show compliance with both the NOP Rule and the COFA procedures for certification. The applications and organic plans for all four files were reviewed by the contracted reviewer and were approved for inspections to be assigned and conducted. The reviewer had signed the COFA certification status report as required. Two of the files organic plans showed that both clients were producing compost in accordance with the NOP Rule section 205.203(c)(2) however, the inspection reports showed that both times the inspector did not verify that the compost was made in accordance with the organic plan and NOP Rule. Both times the certification committee did not identify that the inspection was inaccurate **NP3098DA.NC8**. One client's organic plan and inspection report indicated that the oranges were sent to a packing facility for sorting, grading, and packaging with the owner retaining ownership of the oranges. The inspection report indicated that the packing facility was not a certified organic handler and recommended that the packing facility be required to apply for certification and be inspected. In the January 2003 COFA certification letter that was sent to the orange grower along with the organic certificate indicated the need for the packing facility to be certified. At the time of this audit neither the orange grower nor COFA had contacted the packing facility to initiate certification procedures **NP3098DA.NC9**. The final client file, which grows yams and sweet potatoes and also packages the product, was reviewed and showed that the certification status report had not been completed by the COFA certification committee to show the certification status, however the client did receive a certificate. The inspection report requested more information on the clean out logs from the grower for the 2002 season as none were available during the inspection. As of the date of this audit the

clean out logs had not been provided to the inspector or COFA and there was no indication in the certification decision if the clean out logs were a condition of certification. Neither COFA nor the inspector reviewed labels from the company to determine if the labels were in compliance with the NOP Rule. COFA personnel stated that they thought it was the responsibility of the inspector to review and accept labels **NP3098DA.NC10**

### **Joyce Evans Grapes for Raisins Farm**

COFA had supplied the client with the necessary information for continued certification such as the annual update for continued certification forms. The client had completed the form and it was available for review. The client also had a copy of the NOP Rule along with the certification handbook supplied by COFA. This farm consists of 40 acres of Thompson Seedless grapes that will be used for raisins.

The inspector that was chosen by COFA was qualified and had the appropriate contract on file with COFA. The inspector reviewed the updated organic plan, inspected the fields, reviewed the buffer zone, and observed the input shed for non-approved substances, all in accordance with the COFA procedures and NOP Rule. The inspector completed an audit trail of last years raisins and raised the concern of the client not having the trucking company's load tags and the client not having the packing facility's certificate to show the raisins were delivered to a certified operation. The inspector conducted an exit interview where the concerns were again delivered to the client and would be noted in the inspection report.

### **FINDINGS**

**NP3098DA.NC1 Section 205.501(a)(7) CIP.** A certifying agent must have an annual program review of its certification activities ... and implement measures to correct any non-compliances with the Act. *COFA had a procedure in place to conduct the annual program review, however the program review had not been completed and no date had been established to complete such review.*

**NP3098DA.NC2 Section 205.501(a)(6) CIP.** A certifying agent must conduct an annual performance evaluation of all persons who review applications for certification, perform on-site inspections, ... implement measures to correct any deficiencies in certification services. *The COFA procedure requires that a qualified consultant conduct performance evaluations each January. A review of the personnel files showed that annual performance evaluations had not been conducted.*

**NP3098DA.NC3 Section 205.501(a)(10) & (11)(v) CIP.** Require all persons who ... and all parties who are responsibly connected to the certifying agent to complete an annual conflict of interest disclosure and confidentiality report. *The COFA NOP Manual states that all parties must sign a confidentiality and conflict of interest form by January 31<sup>st</sup> of each year. While all responsible parties had signed both forms by the date of the audit, only 3 of the 9 responsible parties had signed the forms by the deadline set forth in the program manual.*

**NP3098DA.NC4 Section 205.642 CIP.** The Certifying agent shall provide each client with an estimate of the total cost of certification and an estimate of the annual cost of updating the certification. *COFA was only supplying the cost estimate on request by the client.*

**NP3098DA.NC5 Section 205.662(a) & 205.405(a)(3) CIP.** The NOP Rule requires the issuance of a notice of non-compliance for continued certification and for application of certification when a non-conformance is found during the review/inspection. *The procedures in the COFA program manual were incomplete by not stating the date that the applicant must rebut for the initial application and the*

*continued certification non-conformance notice did not include the reason for the non-conformance the facts upon which it was based and the time frame for reply.*

**NP3098DA.NC6 Section 205.504(a)(4) CIP.** The NOP Rule requires that certifying agents must keep a description of any training the agent provides or intends to provide personnel ... *COFA program manual requires that "COFA personnel involved in certification activities be required to complete 40 hours per year of profession growth in the areas of organic farming and certification and records must be kept." Training records were only available for 2 of the 9 personnel involved in certification activities and these two only had 15-20 hours of training during the past year.*

**NP3098DA.NC7 Section 205.404(a) CIP.** If the certifying agent determines that the organic system plan and all procedures and activities of the applicants operation are in compliance with the requirements of this part ...the agent shall grant certification. The certification agent may include requirements for the correction of minor non-compliances within a specified time frame. *The COFA program requires that applicants notify the neighbors of an organic operation and the letter states that the notification of the neighbors is a requirement of the NOP Rule. In the event of minor non-conformances, the letter that accompanies the certificate issued to the clients does not include a date upon which the minor non-conformances must be corrected. COFA personnel stated that the non-conformances were verbally discussed with the clients but no audit trail was available.*

**NP3098DA.NC8 Section 205.403(c)(2) HOLD POINT.** The NOP Rule requires the onsite inspection of an operation must verify that the information included in the organic plan accurately reflects the practices used. *The organic plan submitted by one client included the use of compost produced in accordance with the NOP Rule Section 205.203(c)(2). The inspection report did not verify that the compost was produced in accordance with the rule and stated on the inspection report that this area was not applicable. The COFA Certification Committee did not identify that the inspection was inaccurate.*

**NP3098DA.NC9 Section 205.404(a) HOLD POINT.** If the certifying agent determines that the organic system plan and all procedures and activities of the applicants operation are in compliance with the requirements of this part ...the agent shall grant certification. The certification agent may include requirements for the correction of minor non-compliances within a specified time frame. *The COFA Certification Committee did not adequately review the organic plans and inspection reports to enable the certification decision. The certification committee did not follow through with the need for the packing operation to become certified to maintain the organic integrity of the oranges.*

**NP3098DA.NC10 Section 205.404(a) HOLD POINT.** If the certifying agent determines that the organic system plan and all procedures and activities of the applicants operation are in compliance with the requirements of this part ...the agent shall grant certification. The certification agent may include requirements for the correction of minor non-compliances within a specified time frame. *COFA certification committee did not complete the certification status report listing any conditions for certification and COFA did not review any of the labels intended to be used on the packaged product for compliance to the NOP Final Rule.*

## **RECOMMENDATIONS**

Observations, records reviewed, and interviews indicate that COFA is not in compliance with NOP 7 CFR Part 205. The audit team recommends that COFA implement immediate corrective action on the noted hold points and that corrective action for all non-conformances along with supporting documentation be submitted in a time frame designated by the NOP.